

Medicaid Coverage for Spouses of Individuals with Disabilities Summary

Background

The Supplemental Security Income (SSI) program operated by the Social Security Administration and authorized by Title XVI of the Social Security Act is a means tested entitlement program that provides cash benefits to low-income individuals with limited resources who have disabilities, are blind or are elderly. The purpose of SSI is to assure a minimum level of income. Entitlement to SSI in most states triggers entitlement to Medicaid.

Several “work incentives” are built into the SSI program. These work incentives are designed to enable individuals with disabilities to return to work, increase their work activity without the loss of SSI disability status, or have their SSI benefits protected from reduction based on increased earnings. One particularly powerful work incentive under the SSI program is commonly referred to as 1619(b). This program is for individuals enrolled in SSI who have earnings above the substantial gainful activity or SGA level (\$780 per month in 2002) that have disqualified them from receiving a cash benefit. Under 1619(b), these individuals retain their SSI eligibility as well as their Medicaid benefits.

Generally the 1619(b) program is a beneficiary protection that advantages an individual. However, for married couples where both spouses are SSI eligible, the program can create disadvantages for the spouse in the form of loss of SSI entitlement and Medicaid due to income deeming from the spouse on 1619(b). Currently, 1619(b) protects only the working individual for Medicaid. A major concern of beneficiaries who try to work is the continuation of health care coverage for themselves and their spouses.

Budget Proposal

Included in the President’s FY 2004 budget request is a proposal that would extend 1619 status to an SSI eligible spouse (whether the spouse is aged, blind or has a disability) of a working SSI beneficiary who is in the 1619(b) status. By doing this the eligible spouse will not lose entitlement to Medicaid because of increased work efforts.

CMS estimated that there would be about 1700-1800 individuals per year affected by this provision.